

BUSINESS IDEA FOR SETTING UP A BEAUTY SALOON

This business idea is aimed at setting up a Barber's shop. The idea is premised on making different hair styles and hair cuts for both males and females. The business has a good market demand due to the changing fashion of hair trends among Ugandans especially the youths. The revenue potential is estimated at US\$ 2,273 per month which translates into US\$ 27,273 per year. The project cost is US\$ 11,582.

Process Description

Depending on the customer's desired style or service being sought for.

Market Analysis

The business has a great market demand in both rural and urban areas throughout the year and a higher demand during festive seasons. The major players in this sector include; LA' Saloon, Exotic Saloon Kamyokya, Delight Saloon, among others.

Capital Investment Requirements in US Dollars

Item	Unit	Qty	Unit Cost	Total
Water heater	No.	1	25	25
Towels	No.	10	1.3	13
Sink	No.	1	10	10
Aprons	No.	10	1.8	18
Smoother	No.	1	8	8
Furniture	No.			300
Shavers	No.	5	25	125
Fan	No.	2	50	100
Wall Styling mirrors	No.	3	18	53
Combs	Sets	3	8	23
Total cost of Machinery				673

Production and Operating Costs In US\$

Direct Materials, Supplies and Costs

Cost Item	Units	Unit Cost/ day	Qty/d ay	Prod. cost/ day	Prod. Cost/ mont h	Prod. Cost/ year
After shave	Tins	7.5	1	8	195	2,340
disinfectants	Tins	3	1	3	78	936
Spray	Tins	13	1	13	325	3,900
Powder	Tins	2	1	2	52	624
Sub-total				650	7,800	
General costs (Overheads)						
Utilities (power)					15	180
(Utilities (water)					8	90
Salaries					125	1,500
renting					100	1,200
Depreciation (Assets write off) Expenses					12	139
Sub-total				259	3,109	
Total Operating costs				909	10,909	

Production costs assumed are for 312 days per year with a daily capacity of 30 Customers.

Depreciation is charged on electrical equipment and furniture and assumes 2 years life of assets write off at 25% per year for all assets.

Direct costs include: materials, supplies and other costs that directly go into production of the product.

Product Cost and Price Structure In US\$

Item	Qty/ day	Qty/ yr	Unit Cost	Prod. Cost /year	Unit price	Total revenue
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Hair cuts	30	9,360	1.2	10,909	2.5	27,273
				10,909		27,273

Profitability Analysis In US\$

Profitability item	per day	per month	per year
Revenue			
Hair cuts	87	2,273	27,273
Less Prod & Operating Costs	35	909	10,909
Profit	52	1,364	16,364

Source of Supply of Equipment and Rawmaterials

All these equipments and Rawmaterials can be purchased from the local market.

Government Incentive

The Government is encouraging the setting up of Small Scale businesses through empowerment in form of Grants.